

# GOOD JOBS INITIATIVE

## SIX KEY FACTS ABOUT FEDERALLY-FUNDED PROJECT LABOR AGREEMENTS

Project labor agreements (PLAs) are collective bargaining agreements in the construction industry. The Biden-Harris Administration strongly supports project labor agreements because of their demonstrated success in completing construction projects with a quality, trained workforce on a timely, cost-effective basis. Here are six key facts about PLAs.



- 1. Any contractor—both union and non-union—can bid and win federal contracts and grants requiring or preferencing the use of a project labor agreement.** Non-union contractors can bid on and win these projects. If the successful bidder, they would be required to enter into, or sign onto, a project labor agreement as a condition of getting the work, meaning that they would be bound by the terms of a project labor agreement for that particular project. Project labor agreements are project specific—their requirements do not automatically carry over to other projects.
- 2. Small and disadvantaged businesses can bid on, and participate in, projects requiring a project labor agreement.** If successful, these businesses would be required to enter into, or sign onto, a project labor agreement as a condition of getting the work, meaning that they would be bound by the terms of a project labor agreement for that particular project. Project labor agreements are project specific—their requirements do not automatically carry over to other projects.
- 3. Workers are not required to join unions to work on a project using a project labor agreement.** Under U.S. law, no worker is required to join a union as a condition of employment. In fair share states, workers choosing not to join the union may be required to pay a fair share fee equivalent to dues to defray the union's costs of negotiating and enforcing the collective bargaining agreement and providing representation. Unions operate hiring halls that refer workers to construction jobs, and they are required by law to operate these hiring halls in a non-discriminatory manner.
- 4. Project labor agreements are legal in so-called "Right to Work" states.** "Right to work" refers to states that don't allow employers and unions to negotiate fair share arrangements where all workers in a bargaining unit contribute to the cost of union representation regardless of whether they are union members. The fair share issue has nothing to do with project labor agreements, which are collective bargaining agreements between contractors and/or project owners and unions. "Right to work" laws do not prohibit collective bargaining agreements without fair share requirements. There are hundreds of examples of successful project labor agreements in Nevada, Michigan, and other so-called "right to work" states.
- 5. Project labor agreements open doors for women and people of color.** Project labor agreements often include hiring goals, local hire requirements, pre-apprenticeship and apprenticeship commitments, and other provisions that create opportunities for women and people of color to get family sustaining union jobs in the construction industry.
- 6. Project labor agreements apply only in the construction industry.** PLAs are authorized by a specific provision of labor law that allows for pre-hire agreements (collective bargaining agreements before the workforce is hired) in the construction industry. This pre-hire provision is specific to the construction industry; PLAs are not allowed for manufacturing workforces or other non-construction workforces.

